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SUBJECT: Rio Radar - November 4, 2009

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¶1. (U) Rio Radar is a regular compilation of key economic, political, commercial, and other developments in the states of Rio de Janeiro, Bahia, Minas Gerais, Espirito Santo, and Sergipe. This week's subjects:

FARC ARMS TRAFFICKING PIPELINE TO RIO DE JANEIRO?

¶2. (SBU) On October 22, Federal Highway Police Officers in Mato Grosso seized seven weapons, including five high caliber rifles (7.62mm), the same type police suspect brought down a military police helicopter in Rio de Janeiro on October 17 (reftel). Press reports allege the weapons originated from the Revolutionary Armed Forces of Colombia (FARC) and were destined for Rio de Janeiro, stating the weapons seized are widely used among FARC guerrillas and citing connections between imprisoned Rio de Janeiro drug kingpin Fernandinho Beira-Mar and the FARC. Rubem Cesar Fernandes, the executive director of an NGO (Viva Rio) that implements small arms control programs in Rio de Janeiro told us on October 26 he doubted an arms trafficking connection between the FARC and Rio-based drug gangs, however. "The FARC is more interested in selling drugs to Rio," he said.

HIGH LEVEL NONPROLIFERATION EVENTS IN RIO DE JANEIRO

¶3. (U) On October 29 and 30, the Brazilian Center for International Relations (CEBRI) and the NPSGlobal Foundation co-hosted an international seminar in Rio de Janeiro on "Non-Proliferation and Nuclear Disarmament: The Future of the NPT." During the forum, diplomats, NGO representatives, academics, and officials from the International Atomic Energy Agency (IAEA) discussed ways to strengthen the Non-Proliferation Treaty (NPT), ahead of the May 2010 NPT Review meeting in New York. The U.S. Embassy, with Consulate Rio support, helped sponsor the event. Ambassador Susan Burk, President Obama's Special Representative for Nuclear Non-Proliferation, provided the closing keynote address.

¶4. (U) The Missile Technology Control Regime's (MTCR) Plenary will take place in Rio de Janeiro from November 11 - 13. Acting Assistant Secretary for International Security and Nonproliferation Vann Van Diepen is leading the U.S. delegation, which also includes officials from the Department of Defense, Department of Energy, Department of Homeland Security, and the U.S. Navy.

BRAZIL RETAINS FAA SAFETY CATEGORY 1 STATUS

15. (U) Following consultations with Brazilian civil aviation regulator ANAC on October 27 in Rio de Janeiro, an FAA Assessment Team determined Brazil would retain its International Aviation Safety Assessment (IASA) Category 1 status.

VALE CONTINUES EFFORTS TO OBTAIN EX-IM FINANCING FOR I.T.

16. (SBU) On October 26, U.S. Export Import Bank (Ex-Im) officials and Rio FCS Officer met with Vale's CFO Guilherme Cavalcante and CIO Marco Antonio Franca, as part of ongoing efforts between Vale and Ex-Im Bank to conclude a substantial long-term line of credit. Vale is specifically interested in obtaining 2 billion USD in Ex-Im financing for Information Technology (IT) service contracts, which could allow Vale to avoid MARAD obligations requiring foreign purchasers to use U.S. cargo carriers to ship exports exceeding 20 million USD. Following a meeting with Ex-Im project and finance officials in Washington on October 20, Vale developed a proposal to contract 1 billion USD in services from HP and 1 billion USD from another service provider to be determined this week. (Note: out of

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three bidders, two are reportedly American companies.) Ex-Im officials noted the bank traditionally funds capital goods, rather than services, and would have to evaluate Vale's proposal further. Ex-Im Bank also expressed concerns whether it could legally finance the monthly payment scheme Vale is proposing for its IT service contracts. Vale agreed to adjust its request for financing and follow up with Ex-Im IT Managers in Washington.

THE SECRETARY'S SCIENCE AND TECHNOLOGY ADVISOR VISITS RIO

17. (U) On October 28-29, Dr. Nina Fedoroff, the Secretary of State's Science and Technology Advisor visited Rio de Janeiro to meet with the city's most respected scientific bodies and leaders; she earlier visited Sao Paulo and Brasilia. (SEPTTEL reports on her trip to Brazil). Dr. Fedoroff met with representatives from the Oswaldo Cruz Foundation (FIOCRUZ), the Brazilian National Nuclear Energy Commission (CNEN), Rio de Janeiro Catholic University (PUC), the Brazilian Academy of Science, the Brazilian Foundation for Sustainable Development (FBDS), Brazil's National Institute of Metrology (INMETRO), the Institute for Standardization and Industrial Quality (INMETRO), the Brazilian Innovation Agency (FINEP), and the Advanced Technology Center of Rio de Janeiro Federal University (COPPE/UFRJ). In her meetings, Dr. Fedoroff discussed how to minimize the regulatory barriers for scientific research collaboration, possible U.S.-Brazil cooperation in bringing modern agriculture and other science to other developing countries, and fostering innovation in Brazil.